



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-855]

Diamond Sawblades and Parts Thereof from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2010-2011

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“Department”) is conducting an administrative review of the antidumping duty order on diamond sawblades and parts thereof (“diamond sawblades”) from the Republic of Korea (“Korea”). The period of review (“POR”) is November 1, 2010, through October 23, 2011, and the review covers three manufacturers/exporters: Ehwa Diamond Industrial Co., Ltd. (“Ehwa”); Hyosung D&P Co., Ltd. (“Hyosung”); and Shinhan Diamond Industrial Co., Ltd. (“Shinhan”). We preliminarily find that sales of subject merchandise have been made at prices below normal value.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: David Layton or Sergio Balbontin, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S.

Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0371, and (202) 482-6478, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Order

The merchandise subject to the order is diamond sawblades. The product is typically imported under heading 8202.39.00.00 of the Harmonized Tariff Schedule of the United States

(“HTSUS”). When packaged together as a set for retail sale with an item that is separately classified under headings 8202 to 8205 of the HTSUS, diamond sawblades or parts thereof may be imported under heading 8206.00.00.00 of the HTSUS. Subject merchandise may also enter under heading HTSUS 6804.21.00.00 to the scope description pursuant to a request by U.S. Customs and Border Protection (“CBP”). Although the HTSUS headings are provided for convenience and customs purposes, the written product description available in *Diamond Sawblades and Parts Thereof From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 76128 (December 6, 2011), remains dispositive.

Fraud Allegation

The petitioner, Diamond Sawblades Manufacturers’ Coalition, alleges that Chinese and Korean producers of diamond sawblades sold subject merchandise in the United States bearing a false country of origin designation and requests that the Department take information related to this allegation into consideration in both the first and second administrative reviews. We continue to examine this allegation. The Department recently completed verifications in the first administrative review at which the facts surrounding the fraud allegation were examined thoroughly. We intend to release the verification reports and issue a post-preliminary analysis addressing the fraud allegation.

Adverse Facts Available

Because Hyosung did not respond to our request for information, we determine that it is appropriate to apply “facts otherwise available” pursuant to section 776(a)(2)(B) of the Tariff Act of 1930, as amended (“Act”). We further determine that an adverse inference is warranted in accordance with section 776(b) of the Act because, in failing to respond, Hyosung has not acted to the best of its ability to comply with our request for information. For further details of our

decision to apply adverse facts available, *see* the “Preliminary Decision Memorandum for Administrative Review of the Antidumping Duty Order on Diamond Sawblades and Parts Thereof from the Republic of Korea” (“Preliminary Decision Memorandum”), dated concurrently with this notice and hereby adopted by this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Import Administration’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Methodology

The Department has conducted this review in accordance with section 751(a)(2) of the Act. Constructed export price is calculated in accordance with section 772 of the Act. Normal value has been calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this administrative review, we preliminarily determine that the following weighted-average percentage dumping margins exist for the period November 1, 2010, through October 23, 2011:

| <u>Exporter/Manufacturer</u> | <u>Margin</u> |
|--|----------------|
| Ehwa Diamond Industrial Co., Ltd. | 12.25 percent |
| Hyosung Diamond Industrial Co., Ltd, Western Diamond Tools Inc., and Hyosung D&P Co., Ltd. | 121.19 percent |
| Shinhan Diamond Industrial Co., Ltd. and SH Trading, Inc. | 0.00 percent |

Disclosure and Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.¹ Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.² Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to the issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, filed electronically using IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice.³ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of issues to be discussed. If a request for a hearing

¹ See 19 CFR 351.224(b).

² See 19 CFR 351.309(c)(1)(ii).

³ See 19 CFR 351.310(c)

is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington DC 20230, at a time and location to be determined.⁴ Parties should confirm by telephone the date, time, and location of the hearing.

Unless the deadline is extended pursuant to section 751(a)(2)(B)(iv) of the Act, the Department will issue the final results of this administrative review, including the results of its analysis of issues raised by parties in their comments, within 120 days after the issuance of these preliminary results.

Assessment Rates

The Department shall determine, and CBP will assess, antidumping duties on all appropriate entries in accordance with 19 CFR 351.212(b)(1). Pursuant to an order issued by the U.S. Court of International Trade on October 24, 2011, liquidation of the entries covered by this administrative review is enjoined. Accordingly, the Department will not instruct CBP to assess antidumping duties pending resolution of the associated litigation.

For any individually examined respondents whose weighted-average dumping margin is above *de minimis*, we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1).⁵

We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis* (*i.e.*, 0.50 percent). Where either the respondent's weighted-average

⁴ See 19 CFR 351.310

⁵ In these preliminary results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review where applicable.

The Department clarified its “automatic assessment” regulation on May 6, 2003. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (“*Assessment Policy Notice*”). This clarification will apply to entries of subject merchandise during the POR produced by Ehwa and Shinhan for which these companies did not know that their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate involved in the transaction. For a full discussion of this clarification, *see Assessment Policy Notice*.

Cash Deposit Requirements

Effective October 24, 2011, the Department revoked the antidumping duty order on diamond sawblades from Korea, pursuant to a proceeding under section 129 of the Uruguay Round Agreements Act to implement the findings of the World Trade Organization dispute settlement panel in United States - *Use of Zeroing in Anti-Dumping Measures Involving Products from Korea* (WTIDS402/R) (January 18, 2011). *See Notice of Implementation of Determination Under Section 129 of the Uruguay Round Agreements Act and Revocation of the Antidumping Duty Order on Diamond Sawblades and Parts Thereof From the Republic of Korea*, 76 FR 66892 (October 28, 2011), and accompanying Issues and Decision Memorandum. Consequently, no cash deposits are required on imports of subject merchandise.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This review and notice are in accordance with sections 751(a)(1), 751(a)(3), and 777(i) of the Act.

Ronald K. Lorentzen
Acting Assistant Secretary
for Import Administration

December 3, 2012 _____
Date

Appendix

List of Topics Discussed in Preliminary Decision Memorandum

1. Fraud Allegation
2. Discussion of Methodology
 - a. Application of Facts Available
 - b. Adverse Facts Available
 - c. Corroboration
 - d. Comparison to Normal Value
 - e. Product Comparisons
 - f. Date of Sale
 - g. Constructed Export Price
 - h. Normal Value
 - i. Currency Conversion

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